



**Innovative Technologies
for the
Titanium, Steel and
Iron Ore Industries**

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What is Synrutile?



Ilmenite

Upgrading Process
(Austpac = ERMS SR)



Austpac Synrutile

Titanium Metal

Light weight, great strength, corrosion resistance and very high melting point

Used in aircraft engines, cars, sports equipment (golf clubs, tennis racquets and bike frames), and general industrial equipment.



Titanium Dioxide (TiO_2)



Titanium dioxide (TiO_2) pigment is used in the manufacture of paints, plastics, paper, ink, rubber, textiles, cosmetics, leather and ceramics.

Austpac - the Company

Listed on ASX July 1986

Shares on issue

Share price

Market Cap

Shareholders

\$4.5M in cash, no debt

Major shareholder

Code: APG

701 million

10c

\$70 million

4,200

BHP Billiton 3.8%

ERMS SR Synrutile Process

ROASTING



Fluid Bed Roasters

LEACHING



Continuous Leach Vessel

SALEABLE PRODUCT

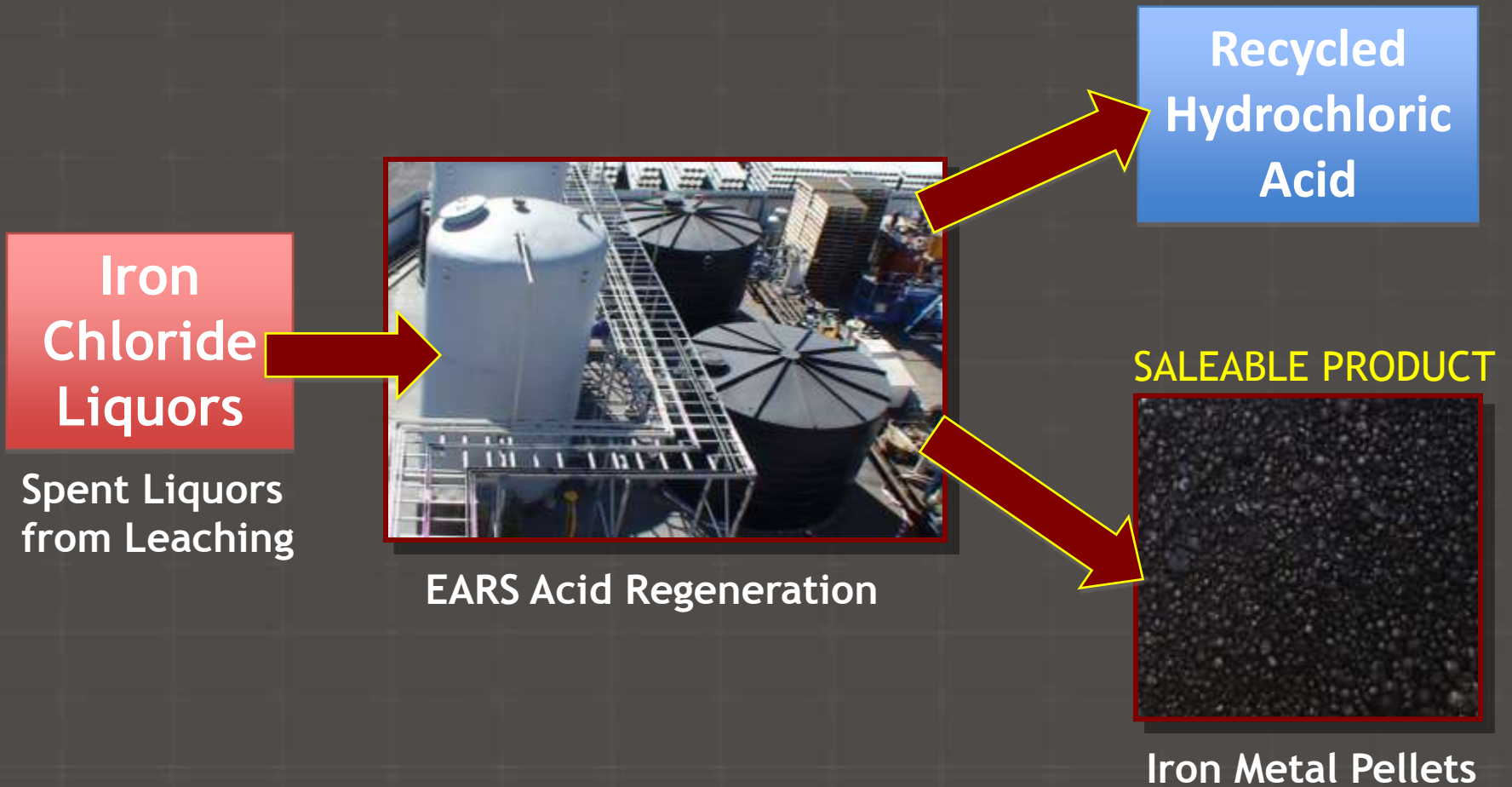


ERMS SR Synrutile

ERMS SR Synrutile Process

Makes the
HIGHEST GRADE SYNRRUTILE
available today (97% TiO₂)

EARS Acid Regeneration



ERMS SR Synrutile Process

The only process that produces two valuable products



Ultra-high grade synthetic rutile
(titanium pigment and titanium metal production)



Iron Metal for Steel Production

Versatile, Cost Effective and Environmentally Sustainable

- can use ANY ILMENITE from any deposit around the world
- can use ANY FUEL (solid, liquid or gas)
- produces NO LIQUID WASTE and NO SOLID WASTE (no landfill)
- is CARBON CAPTURE CAPABLE; captured CO₂ is saleable to other industries
- uses waste heat to GENERATE ELECTRICITY so is SELF-SUFFICIENT FOR POWER
- emits LESS CO₂ than other upgrading processes and makes more revenue per tonne of CO₂ produced



SUPERIOR PRODUCTS AT LOWER COST

BHP Billiton: Corridor Sands



World's largest heavy mineral sand
ilmenite resource (>100MT, 100-year-
plus asset)

Will be low cost mineral sand mine

ERMS SR process an upgrading option

3,000 tpa Demonstration Plant



- BHP Billiton Agreement
June 2007
- Roasting and Magnetic
Separation
March 2008
- Leaching and Acid
Regeneration
July 2008 - commissioning
- Synrutile and Iron Pellet
Production
August to September 2008

The Newcastle Team



ERMS SR Can Process Any Ilmenite

- 150 tonnes of CRL Ilmenite
- 500 tonnes from Bemax's Murray Basin Project
- 70 tonnes from BHP Billiton's Corridor Sands Deposit



Saleable Products



300 tonnes of ERMS SR Synrutile

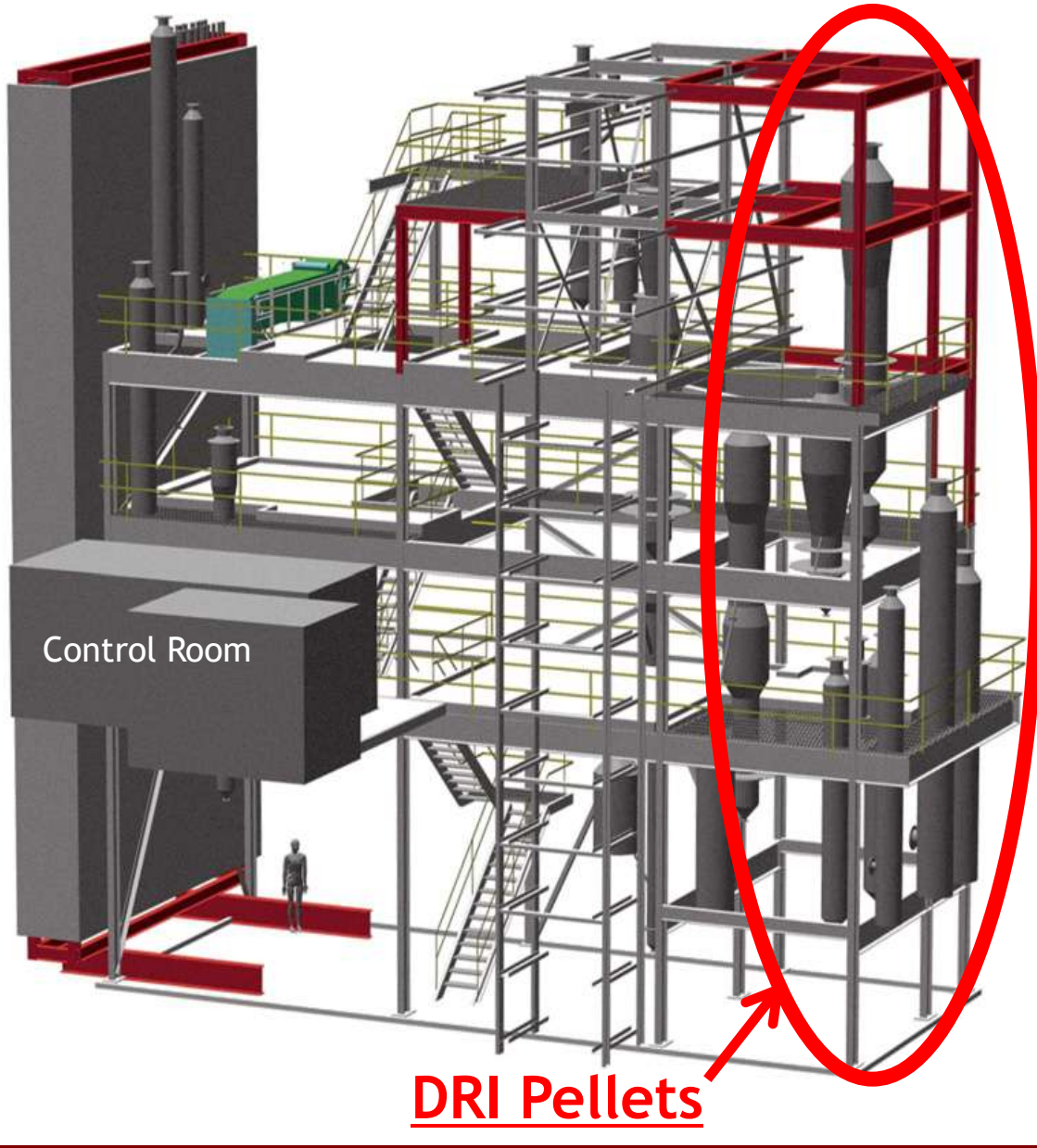


200 tonnes Iron Pellets

Strong interest in purchasing and testing products already shown by various groups

Commercial ERMS Synrutile Plant

- 60,000 tpa ERMS SR synrutile plant (+ 45,000 tpa iron pellets)
- Economically attractive:
 - Capital cost: ~\$120M
 - EBITDA: > \$ 45M p.a.
 - IRR: > 30%,
 - Payback: < 3 years



Control Room

DRI Pellets

ERMS SR Demonstration Plant

EARS PLANT
40 tpd capacity

EPA has licensed
the Plant to treat
steel wastes

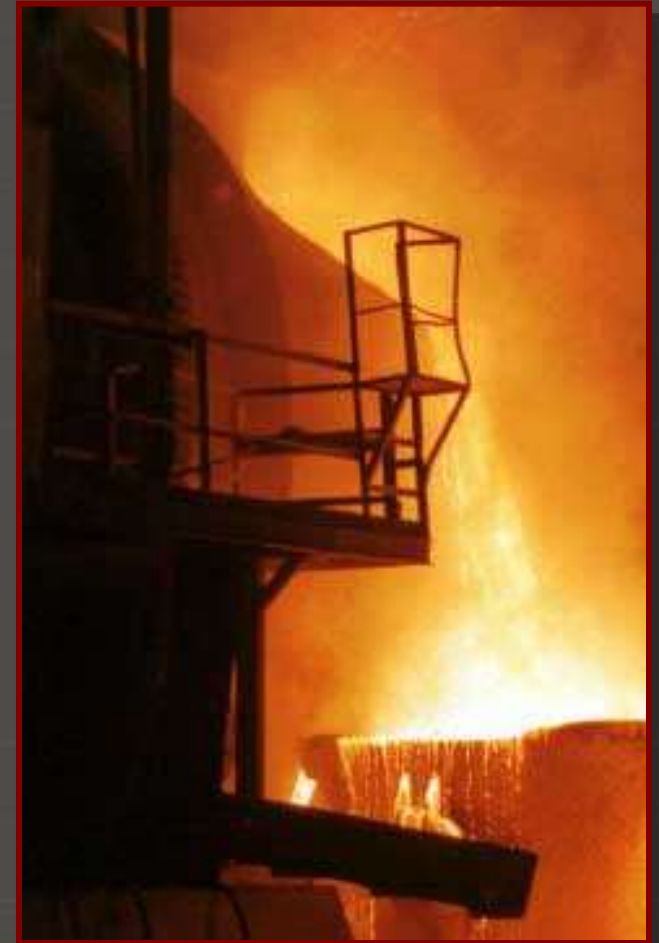
Commercial EARS Plant

“Build-Own-Operate” Steel Waste Plant

- Capital cost of 50 tpd plant <\$10M
- Opex \$130/t, Value >\$850/t, **Profit = \$650/t**
- Generates >\$10M profit/year

MultiServ Group Agreement

- WORLDWIDE applications of the EARS process
- 170 operating sites in 35 countries
- Immediate introduction to the world's steel industry



Austpac's Patented EARS Process

THE ENVIRONMENTAL SOLUTION
FOR THE WORLD'S STEEL
INDUSTRY WASTE

Austpac and IRON ORE



Direct Reduced Iron (*DRI*) Process produces iron metal from iron ore fines

Iron Ore and DRI

LOW VALUE PRODUCT



Fe_2O_3	83.5%
FeO	0.2%
Fe	0.0%
Al_2O_3	1.3%
SiO_2	4.6%

Iron Ore

HIGH VALUE IRON



Fe_2O_3	0.0%
FeO	5.7%
Fe	84.2%
Al_2O_3	2.0%
SiO_2	7.3%

95% metallised

DRI Process

Austpac's Direct Reduced Iron

Project Timelines (Australia only)

(Fiscal Years)

★ Cash Flow

Project	2007-08	2008-09	2009-10	2010-11	2011-12
3,000 tpa SynRutile Demonstration Plant					
60,000 tpa SR Plant - S.E. Australia					
Waste Plant #1 Newcastle Demonstration Plant					
Waste Plant #2 Australia					
DRI from iron ore Licences					

Cash Generation Potential

(Australia only; EBITDA, Fiscal Years)

Projects	2007-08	2008-09	2009-10	2010-11	2011-12
60,000 tpa SR Plant S.E. Australia	-	-	-	\$35M	\$45M
Newcastle Waste Plant	-	\$4M	\$10M	\$10M	\$10M
Waste Plant #2 Australia	-	-	\$3M	\$10M	\$10M
Projects EBITDA (Annual totals)		\$4M	\$13M	\$55M	\$65M

Plus: Worldwide steel industry waste recycling

**Austpac's innovations
will allow profitable entry to...**

The Titanium Industry

The Steel Industry

The Iron Ore Industry

Why Austpac?

Austpac's patented technologies make the ***world's highest grade products using environmentally sustainable processes***

Austpac has an ***operating Demonstration Plant*** and ***agreements in place with BHP Billiton and other international companies*** to use the technologies

Less than a year ago ***BHP Billiton recognised the value of the ERMS SR process*** and became ***Austpac's largest shareholder, facilitating the 3,000 tpa ERMS SR Demonstration Plant at Newcastle***

Investors in Austpac will ***benefit in the near and medium term*** as ***commercialisation*** continues and the Company's operations start generating ***cash flows***



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